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[illegible] Court of the United States

October Term, 1970

No. 1012

FORT HOWARD PAPER COMPANY, *Petitioner*,

v.

SCOTT PAPER COMPANY

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Seventh Circuit

BRIEF FOR THE RESPONDENT IN OPPOSITION

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BRIEF FOR THE RESPONDENT IN OPPOSITION

OPINIONS BELOW

The district court's findings of fact and conclusions of law (Pet. 14a-22a) are not reported. The opinion of the court of appeals (Pet. 1a-13a) is reported at 167 U.S.P.Q. 4.

JURISDICTION

The judgment of the court of appeals was entered on September 4, 1970. The petition for a writ of certiorari was filed on November 27, 1970. The jurisdiction of this Court is invoked under 28 U.S.C. § 1254(1).

QUESTIONS PRESENTED

1. Whether there is any need for further review of the concurrent findings of the two courts below that respondent was not guilty either of fraud or unclean hands in failing to cite as prior art, in an application for a patent on an absorbent industrial paper wiper, earlier patents for embossing bank checks and decorative paper, where both courts below found that respondent in good faith disagreed as to the pertinence of the two patents not cited.

2. Whether there was error in the concurrent holdings of the two courts below that the present case did not fall within those "exceptional cases" in which attorney fees may be awarded under 35 U.S.C. § 285.

STATUTES INVOLVED

1. Section 115 of Title 35, United States Code, provides:

> "§ 115. Oath of applicant
>
> "The applicant shall make oath that he believes himself to be the original and first inventor of the process, machine, manufacture, or composition of matter, or improvement thereof, for which he solicits a patent; and shall state of what country he is a citizen. Such oath may be made before any person within the United States authorized by law to administer oaths, or, when made in a foreign country, before any diplomatic or consular officer of the United States authorized to administer oaths, or before any officer having an official seal and authorized to administer oaths in the foreign country in which the applicant may be, whose authority shall be proved by certificate of a diplomatic or consular officer of the United States, and such oath shall be valid if it complies

with the laws of the state or country where made. When the application is made as provided in this title by a person other than the inventor, the oath may be so varied in form that it can be made by him."

2. Section 285 of Title 35, United States Code, provides:

"§ 285. Attorney Fees.

"The court in exceptional cases may award reasonable attorney fees to the prevailing party."

STATEMENT

A. Summary of the proceedings

This was the usual action for patent infringement, brought by the respondent Scott Paper Company (hereinafter "Scott") against petitioner Fort Howard Paper Company ("Fort Howard"), charging that Scott's U.S. Patent No. 2,834,809 (Schutte et al., "Absorbent Paper") had been infringed because of Fort Howard's manufacture and sale of high bulk paper industrial wipers.

The district court held the patent invalid for obviousness (Fdgs. 14-20, Pet. 18a-20a; Conc. 3, Pet. 22a) but went on to hold that, if valid, it had been infringed by Fort Howard (Fdgs. 8-13, Pet. 16a-18a; Conc. 2, Pet. 22a). The district court found and held (Fdg. 21, Pet. 20a-21a; Conc. 5 Pet. 22a) that Scott had not been guilty of inequitable conduct or unclean hands before the Patent Office.

The court of appeals affirmed the district court on each of the foregoing matters, except infringement, which it did not consider; and it also rejected Fort Howard's claim for attorney fees under 35 U.S.C. § 285 (Pet. 1a-13a).

Scott did not seek review here of the holding of invalidity; but Fort Howard seeks further consideration of the concurrent holdings below that confirmed the lack of support for its charges of unclean hands and fraud, and that denied its plea for attorney fees. Consideration of those questions requires a brief recital of the details involved.

B. Relationship between the patent in suit and the two earlier patents held to be invalidating

We quote from the opinion below, omitting footnotes and the diagram included, to show the nature of Scott's patent (Pet. App. 2a-4a):

> "The patent in suit contains eighteen claims describing paper structure (Claims 3-18) and a method for forming paper into that structure (Claims 1-2). Although no particular end use was claimed in the patent, the paper was designed to be used as an industrial paper towel having the necessary attributes of bulk, durability, and high oil absorbency and oil storage capacity. As indicated in the specifications, the paper contemplated by the patent is an absorbent paper for use as towels and wipers and particularly suitable as a disposable industrial wiper capable of substituting for cloth industrial wipers. The attributes noted are obtained by pressing two or more sheets of paper between two identical mesh screens or between two rolls having screen-like patterns engraved on the surfaces.
>
> "This process has the effect of creating crests and depressions in the paper, with the crest on the one side forming the depression on the other side and vice versa. On the sloping areas between the crests and depressions, the paper is ruptured by the working of the screen or rolls. The indentations in the paper act as scrapers to scoop up grease and oil; the fibrous strands of shredded

paper protruding from the ruptures serve as wicks to absorb and direct fluids to the interior of the paper where it is gathered in the unworked crests and depressions. * * * The working of only the slopes of the paper creates an effective bond between the layers of paper, thereby providing the bulk necessary for machine wiping. At the same time, by limiting the ruptures and apertures to 10% of the total area, the paper absorbed oil satisfactorily without sacrificing durability, which was the main hurdle in the development of a good industrial paper."

Scott's patent was held invalid by both courts on the basis of the earlier Crane and Oldofredi patents (Fdgs. 16-20, Pet. 18a-20a; Conc. 3, Pet. 22a; C.A. 7 Op., Pet. 6a-10a). As stated by the court of appeals (Pet. 5a-6a):

> "Crane Patent No. 118,204 describes a method of treating bank checks to prevent and detect alteration by placing the completed check between two pieces of wire cloth and passing the resultant 'sandwich' between two rollers, causing minute embossing and perforating in the paper. Oldofredi Patent No. 2,370,186 describes a method of imprinting decorative designs on paper or other material by passing the paper or material between two wire screens.
>
> "The prior art, however, contained no use of the wire screen perforation-embossing method to form absorbent paper wipers, and neither the Crane nor Oldofredi patents were cited to, or considered by, the Patent Office in the prosecution of the application."

The record shows that, notwithstanding both courts' reliance on Crane and Oldofredi to invalidate the patent in suit, Fort Howard's patent expert admitted

while testifying that neither the bank checks of Crane nor the decorative paper of Oldofredi would be suitable as industrial wipers (App. 374-375, 378). There is no evidence that *anyone* actually working in the absorbent paper field ever perceived any significance in the Crane or Oldofredi patents, or ever adverted to them in attempting to develop an industrial towel or wiper.

We refrain from rearguing the position to which we still adhere—that the Crane and Oldofredi patents are of no help to one grappling with the problems solved by the patent in suit; it is sufficient to refer to the opinion below at Pet. 6a-12a to demonstrate the substantiality of Scott's contentions.

C. Fort Howard's rejected charges of fraud and unclean hands

In the court below Fort Howard contended but (Pet. 11a) "failed to prove that Scott was guilty of fraud or unclean hands by failing to cite Crane and Oldofredi to the Patent Office."

The district court made two findings relevant to that assertion (Pet. 20a, 21a):

> "20. Both Crane and Oldofredi are better references than prior art considered by the Patent Office during prosecution of the patent in suit and no presumption of validity exists with respect to those patents.
>
> "21. Before the patent in suit issued, the plaintiff, to which the patent was assigned prior to issuance, was aware of the existence of Crane and Oldofredi but failed to call those patents to the attention of the Patent Office. * * * Although as we have stated, Crane and Oldofredi were more pertinent references than those cited in the Patent

> Office, we are not satisfied that the plaintiff is guilty of inequitable conduct or unclean hands."

Conclusions of law in accord with the foregoing were entered by the district court (Conc. 3, 5; Pet. 22a).

Finding 21 was premised in part on Scott's own admission during discovery and trial that Crane and Oldofredi were among a number of patents of which it had been aware (DX 133, App. 731; App. 117). It did not cite them because it felt at the time—and still feels—that these patents are concerned with bank checks and decorative paper, plastics, etc., and are of no help to anyone seeking to develop an industrial wiper.

The court of appeals gave effect to Scott's failure to cite the two earlier patents, declaring that this overcame the presumption of validity with respect to the patent in suit (Pet. 10a). It then rejected Fort Howard's charges, saying (Pet. 12a):

> "A finding that a patent was procured by fraud or unclean hands must be based on 'clear, unequivocal and convincing' evidence. *United States* v. *American Bell Telephone Co.*, 167 U.S. 224, 251 (1897). The same standard of proof applies to the charge of unclean hands. *Armour & Co.* v. *Wilson & Co.*, 274 F.2d 143, 148 (7th Cir. 1960); *Tractor Supply Co.* v. *International Harvester Co.*, 155 U.S.P.Q. 420, 433-34 (N.D. Ill. 1967). Unclean hands can be asserted only if there has been a deliberate misrepresentation in the Patent Office. *Baldwin-Lima-Hamilton Corp.* v. *Tatnall Meas. Sys. Co.*, 169 F. Supp. 1, 21 (E.D. Pa. 1958).
>
> "Here there was no finding by the court that Scott was guilty of deliberate misrepresentation. The finding is that Scott was aware of Crane and

> Oldofredi and failed to describe them to the Patent Office. Since there is sufficient evidence in the record that Scott, in good faith, disagreed with Fort Howard and the court as to the pertinence of Crane and Oldofredi, we are of the view that reversal is not required. This is not a case where the non-disclosed prior art is almost identical* with the patentee's invention, and therefore the cases cited by Fort Howard are inapposite." (Footnote added)

From this it followed, according to the court below, first, that Scott was not guilty of unclean hands, and nothing in 35 U.S.C. § 115 (*supra*, p. 2) warranted a contrary conclusion because (Pet. 13a) "the burden of proving fraud is not lightened by 35 U.S.C. § 115"; and, second, that there was no basis for any award of attorney fees under 35 U.S.C. § 285 (*supra*, p. 3).

D. Fort Howard's brief criticism by court below because of reference to in camera material not included in record

Fort Howard's repeated references to "Envelope 666AA" (Pet. 6 n. 2, 7, 10, 20 n. 7) require more explanation than is vouchsafed by anything appearing in its petition.

In the course of pretrial discovery under Rule 34, F.R. Civ. P., Fort Howard sought discovery of "Any preliminary search report or patentability report" relating to the patent in suit. Scott invoked the at-

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* Despite this holding by the court of appeals, Fort Howard's petition continually refers to Crane and Oldofredi as disclosing the *same* invention as the patent in suit, or as *anticipating* it (Pet. 7, 9, 10, 13, 14, 15, 16). The holding of invalidity was based on obviousness under 35 U.S.C. § 103 (Conc. 3, Pet. 22a), not anticipation under § 102, and this was clearly recognized by the court of appeals (Pet. 6a, 8a-10a).

torney-client privilege and lack of good cause,* whereupon the district court ordered Scott to submit the documents in question for an *in camera* inspection. Those documents were then delivered to the district judge in a sealed envelope, marked to indicate the purpose of submission; this became Envelope 666AA.

The district court, after reviewing the contents and receiving the briefs and oral arguments of the parties, held the reports not "relevant to the issues herein", and denied discovery for lack of good cause without having to reach the issue of privilege (App. 42-43). For Howard did not raise the issue during subsequent pretrial proceedings, at the trial or thereafter, until its reply brief on appeal.

After judgment, the parties stipulated that Envelope 666AA need not be transmitted to the court of appeals by the district court clerk. By inadvertence, it was transmitted none the less, with its *in camera* status clearly marked on the envelope. Subsequently Fort Howard's counsel examined the contents of the *in camera* envelope and thereupon designated for printing in the appendix some of the *in camera* documents contained therein. Fort Howard's counsel also quoted from those *in camera* documents in its reply brief.

Scott moved for relief and the court of appeals—after reviewing all of the circumstances—ordered Fort Howard's reply brief stricken from the files, ordered Fort Howard's designation stricken accordingly, ordered Fort Howard to destroy all further copies of

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* Scott argued in brief and at a pretrial conference that the search reports were concerned with an inventive concept at variance with the one claimed in the patent in suit, which is directed to a process and product where the perforations are confined to the slopes between crests and depressions (App. 2-4) rather than the high points.

its reply brief, and ordered that "the clerk of this court shall seal the letters within said envelope and retain it subject to further order of this court." The complete text of the court of appeals' order of January 26, 1970, dealing with this matter, from which the statement under the present subheading is drawn, is set forth in full in the Appendix hereto, *infra*, pp. 20-22. This order, directing retention of the envelope by the clerk pending "further order of this court", *infra*, p. 22, must be read in order to fully understand the subsequent November 18, 1970 order of that court, presented unexplained by the petitioner at Pet. 23a.

Following the order striking its reply brief, Fort Howard was granted permission to file a new reply brief, in which it argued the matter of discovery. On that issue, the court of appeals said (Pet. 13a):

> "We do not deem worthy of discussion Fort Howard's final contention, raised for the first time in its reply brief, that the district court erred in its ruling on the admissibility of certain documents. The court did not abuse its discretion in this ruling."

We might add that the documents are of the same type recently held privileged by the court of appeals in *Natta* v. *Zletz*, 418 F.2d 633, 637 (C.A. 7, 1969):

> "The category 1 documents consist of correspondence between house and outside counsel and relate to or anticipate Interference 89,634. They were communications to attorneys for legal advice and assistance. Such communications clearly fall within the ambit of the attorney-client privilege." (Citing cases.)

Although Fort Howard several times refers to "Envelope 666AA" (Pet. 6 n. 2, 7, 10, 20 n. 7), its questions presented do not challenge the foregoing ruling of the court below on discovery, nor do they seek re-

view of the order of the court below striking Fort Howard's reply brief (Appendix, *infra*, pp. 20-22).

ARGUMENT

Fort Howard's petition seeks a judgment for attorney fees plus findings that Scott was guilty of fraud, despite concurrent rebuffs in district court and court of appeals on both of those issues. Although Fort Howard emphasizes volubly the beatitude of full disclosure, to the extent of invoking Title 18 of the United States Code (Pet. 5, 11, 13), it never once mentions its own lengthy and fruitless research efforts to produce an acceptable industrial wiper, or the fact that neither its own researchers nor anyone else ever derived any help from the Crane and Oldofredi patents upon which it now relies, or the fact that it finally copied the industrial wiper precisely as described and claimed in Scott's patent (Fdgs. 9-13, Pet. 16a-18a; Conc. 2, Pet. 22a).

The record reveals several reasons why the present case does not warrant further review.

First. The discussion of the patent in suit in the opinion below shows on its face that there was involved, not fraud, nor the presentation of a half-truth, nor even the slightest whisper of a failure to make full disclosure, but only a disagreement in complete good faith regarding the legal pertinence of two prior art patents.

In Scott's view, a view that was strongly maintained with the utmost of conviction and is still adhered to, neither the Crane patent for embossing checks nor the Oldofredi patent for imprinting decorative paper, leather, plastics, etc., had any invalidating effect on the Schutte patent in suit, which taught the manufacture of heavy duty industrial wipers that would

absorb and hold oil. The Schutte patent taught a product that possessed an effective scraper-action, relatively lint-free wiping surface, combined with strength, durability, a rapid rate of absorbency, large oil holding capacity, and the bulk and protection essential for machine wiping (PX 1, App. 471)—whereas Crane and Oldofredi were totally unconcerned with such features or with any paper structure that would produce them. (DX 100, App. 629, 656)

The reasonableness of Scott's view, which was supported by the testimony of Fort Howard's patent expert, who admitted that neither Crane's bank checks nor Oldofredi's decorative paper would be suitable as industrial wipers (App. 374-375, 378), was found as a fact by both courts below (Fdg. 21, Pet. 21a; Conc. 5, Pet. 22a; C.A. Op., Pet. 12a). Scott maintained—and still does—that the Patent Office had better art before it than Crane or Oldofredi. It had art that dealt with papers having crests and depressions and perforations to achieve absorbency (Milliken 2,281,945; App. 651), and art dealing with metal-to-metal embossing rolls (Ruegenberg 2,257,429; App. 690). While the courts below rejected this contention, they never questioned the good faith behind it, and the court of appeals specifically recognized Scott's *bona fides*, *supra*, p. 8 (Pet. 12a).

As an original proposition it could scarcely be contended that every difference of opinion regarding the pertinence of prior art patents involves risking a charge of fraud, much less that it is sufficient to satisfy the heavy burden of proof required to substantiate such an allegation. Accordingly, we need not burden this Court with a point-by-point refutation of Fort Howard's twice-rejected contentions; it should be sufficient to rest on the concurrent findings of both

courts below that Scott's disagreement as to the pertinence of Crane and Oldofredi was solidly grounded in good faith.*

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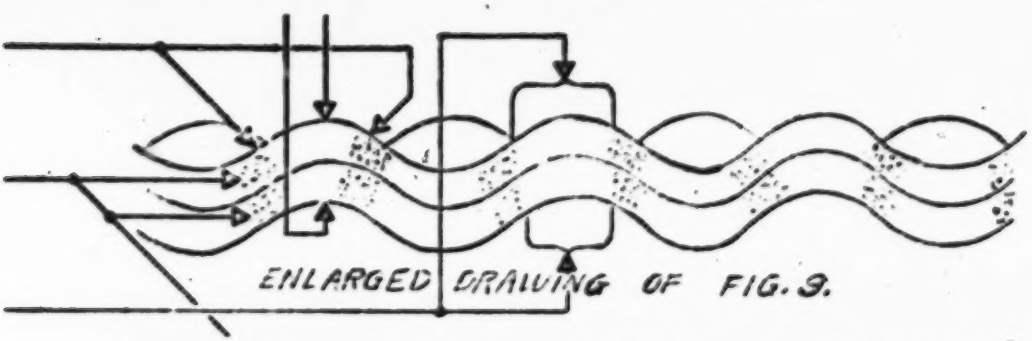
* Indeed, insofar as good faith was absent in the proceeding, the deficiency rests with Fort Howard, whose DX 129 was a highly distorted version of Fig. 9 of the Oldofredi patent. We say "highly distorted" because Fort Howard's own patent expert, Verhage, indicated (App. 395-6) that the draftsman took particular liberties in drawing this exhibit, and that instead of following Verhage's instructions he followed the suggestion of Fort Howard's counsel. These distortions are clearly apparent from visual inspection. Fort Howard represented DX-129 to the trial court as an accurate enlargement of Fig. 9 of the Oldofredi patent:



Compare the above exhibit with the *actual* enlargement of Fig. 9 which appears below.

Fort Howard's DX-129 thus shows a 2-ply undulating paper product with perforations confined to the sloping areas, just as

Without now rearguing the pertinency or otherwise of these patents, it is plain that they were sufficiently dissimilar to support the concurrent findings below that Scott's failure to cite them did not and could not involve either fraud or bad faith. The decisions below were based on the particular facts of this case and did not involve an erroneous legal standard as to what constitutes fraud.

Second. Notwithstanding Fort Howard's attempt to portray a conflict among circuits, the circuits are in accord. The standard of candor is high, both courts below appreciated this—having heard the same arguments Fort Howard makes now, and both courts held on the facts that Scott was not guilty of fraud or unclean hands.

Fort Howard would have this Court believe that its decisions in *Kingsland* v. *Dorsey*, 338 U.S. 318 (1949) and *Precision Instrument Mfg. Co.* v. *Automotive Maintenance Co.*, 324 U.S. 806 (1945), have been ignored by the Seventh Circuit and the circuit needs to have its standards raised (Pet. 10). In support, Fort Howard relies on several cases which are readily distinguishable.

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called for by the claims of Scott's patent. Actually, however, Oldofredi's Fig. 9 does not show a 2-ply product (App. 395-6), nor does it show perforations on and confined to the slopes.

Moreover, Fort Howard also photographed the 12-mesh surface of a Scott paper wiper without any magnification, and then submitted it to the court for comparison with the photograph of a paper embossed between the much finer 40-mesh screen taught by Oldofredi; but the latter was magnifed 3½ times to enhance its similarity with the Scott photograph (DX 125-127). The embossed bank check described in the Crane patent, which issued at the turn of the century, is similarly remote from the heavy duty paper wiper of the patent in suit.

In *Monolith Portland Midwest Co.* v. *Kaiser Aluminum & Co. Corp.*, 407 F.2d 288 (C.A. 9, 1969), relied on by Fort Howard (Pet. 15), there were concurrent findings of actual misrepresentations to the Patent Office in four respects:

(1) deliberate concealment of statutory bars

(2) falsehoods in a petition to make special

(3) misrepresentations about "unexpected results"; and

(4) false statements of novelty in an affidavit.

The court of appeals for the Ninth Circuit characterized these findings as evidencing a "course of conduct" which constituted a serious breach of duty to the Patent Office and supported a conclusion that the case was exceptional (407 F.2d 288 at 297). There are no facts in the present case to support any such conclusion, and there is no reason to believe that the Seventh Circuit would differ from the Ninth Circuit on the same set of facts.

Similarly, in *Monsanto Co.* v. *Rohm & Haas Co.*, 312 F.Supp. 778 (E.D. Pa. 1970), also invoked by Fort Howard (Pet. 18), there was a specific finding that an affidavit submitted to the Patent Office "is misleading, and was intended to be misleading" (312 F.Supp. at 791), a finding reaffirmed and articulated on motion for new trial (312 F.Supp. at 798-800); the details of the misrepresentations there involved were explicitly set forth (Fdg. 37, 312 F.Supp. at 785-786; Conc. 2(b), id. at 798). No comparable findings exist in the present case.

Fort Howard several times suggests (Pet. 2, 19-20) that the substance of its disclosure issue is now pend-

ing here in *Blonder-Tongue Laboratories* v. *University of Illinois Foundation*, No. 338, this Term, in which certiorari has been granted.

Inspection of the *Blonder-Tongue* petition suffices to dispose of that suggestion. The substantial issue involved in that case is a conflict between adjacent circuits regarding the validity of an identical patent. The Eighth Circuit had held invalid the Isbell patent, No. 3,210,767, for a frequency independent unidirectional antenna, *University of Illinois Foundation* v. *Winegard Co.*, 402 F.2d 125 (1968), certiorari denied, 394 U.S. 912, after which the Seventh Circuit held that this same patent was valid. *University of Illinois Foundation* v. *Blonder-Tongue Lab.*, 422 F.2d 769 (1970). It is this latter ruling that will be reviewed in No. 338, since, obviously, it would be intolerable if a patent that was valid in Illinois and Wisconsin were to be invalid in Iowa and Minnesota.

The disclosure issue, the second question presented by the petitioner in No. 338 (quoted here at Pet. 2-3, note 1), is tied to the first question and differs markedly in its substance and in its facts from the disclosure contentions now advanced for the third time by Fort Howard, compare 422 F.2d at 776-777. The *Blonder-Tongue* petition is based not on a difference of opinion as to the pertinence of prior art, but on an affidavit by the patent applicant misleading as to a matter of fact (*viz.*, that the Mayes invention was made prior to a certain technical article by Isbell, whereas in fact that article had been previously published more than one year prior to the Mayes filing date—422 F.2d at 776-777; *Blonder-Tongue's* petition for certiorari pp. 9-11).

Review by certiorari is denied as a general rule on questions that depend on narrow issues of fact, or

where there are concurrent findings, or where there is no doctrinal conflict between circuits. *General Talking Pictures Corp.* v. *Western Electric Co.*, 304 U.S. 175, 178-179 (1938). The present petition consequently does not justify further review on any ground.

We are confirmed in this view by the Court's recent refusal to explore the factual aspects of the disclosure doctrine, on both petition and cross-petition. See *Chemtronics* v. *Beckman Instruments, Inc.*, No. 705 this Term; *Beckman Instruments Inc.* v. *Chemtronics*, No. 711; certiorari denied in both, December 14, 1970. The Fifth Circuit's opinion in *Beckman Instruments, Inc.* v. *Chemtronics, Inc.*, 428 F.2d 555 (C.A. 5, 1970), relied on by petitioner here (Pet. 16-17), is also factually dissimilar because that court specifically found the patentee's position to be "utterly incredible" (428 F.2d at p. 566).

Third. Fort Howard's attorney fee question stands on no more favorable footing. Cf. *Colson Corp.* v. *Everest & Jennings, Inc.*, 371 F.2d 240, 243-244 (C.A. 7, 1967), certiorari denied, 387 U.S. 918 (No. 1225, O.T. 1966), where a successful patent defendant was also denied attorney fees by both lower courts.

On this issue, we start with the statute, 35 U.S.C. § 285 (*supra*, p. 3), which was restated more restrictively in the 1952 revision of the patent laws. The clause, "in exceptional cases," was then introduced; it was not in the earlier version of the statute; see 35 U.S.C. § 70 in the 1946 and prior editions of the U.S. Code. Indeed, the revisers of Title 35 noted that "'in exceptional cases' has been added as expressing the intention of the present statute as shown by its legislative history and as interpreted by the courts."

Next, the statute is discretionary on its face: "The court * * * *may* award" (Our italics).

The decisions under § 285 show that attorney fees are not to be awarded as a matter of course, as a penalty for failing to prevail, but sparingly, and then only where there has been vexatious litigation, gross injustice, actual fraud, or calculated recklessness about the truth. Apart from the circumstance that the trial court's discretion will not be disturbed except where plainly abused, a mass of case law indicates that attorney fees will not be granted where the validity of the patent in suit has been litigated in good faith, and where there is a legitimate basis for differences of opinion.

Where, as here, the charge of fraud has been rejected, and the court found patentee to have proceeded in good faith, every circuit that has ever considered the scope of § 285 has held, in accord with the court below, that attorney fees could not be awarded. Representative decisions appear in the margin.*

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* C.A. 2: *Indiana General Corp.* v. *Krystinel Corporation*, 421 F.2d 1023, 1033-1034 (1970) certiorari denied, 398 U.S. 928.
C.A. 3: *AMP Incorporated* v. *Burndy Corporation*, 332 F.2d 236, 239 (1964), certiorari denied, 379 U.S. 844; *Chemical Construction Corp.* v. *Jones & Laughlin Steel Corp.*, 311 F.2d 367, 374 (1962).
C.A. 4: *Berry Brothers Corp.* v. *Sigmon*, 317 F.2d 700, 706 (1963); *Carolina Lee Knitting Co.* v. *Johnson & Johnson*, 275 F.2d 91, 94 (1960).
C.A. 5: *Specmade Products, Inc.* v. *Barnett*, 354 F.2d 229, 230 (1966).
C.A. 6: *Hoge Warren Zimmerman Co.* v. *Nourse & Co.*, 293 F.2d 779, 783-784 (1961).
C.A. 8: *Collins* v. *Owen*, 310 F.2d 884, 887-888 (1962).
C.A. 9: *K & W Trucking, Inc.* v. *Eight Point Trailer Corp.*, 418 F.2d 1243 (1969); *Monolith Portland Midwest Co.* v. *Kaiser Aluminum & C. Corp.*, 407 F.2d 288, 293-294, supra.
C.A. 10: *Merrill* v. *Builders Ornamental Iron Co.*, 197 F.2d 16, 25-26 (1952).

Fourth. Far from questioning Fort Howard's assertions about the duty of disclosure resting on patent applicants, we concur therein, fully and heartily. We respectfully submit, as both courts below have found, that Scott faithfully performed that duty. As to the questions now presented, the concurrent rulings of the two courts below are clearly right, and this case therefore does not justify further review.

CONCLUSION

For the foregoing reasons, it is respectfully submitted that the petition for a writ of certiorari should be denied.

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December 1970.

APPENDIX

Text of Court of Appeals' Order Striking Fort Howard's Reply Brief and Ordering Destruction of All Copies Thereof.

UNITED STATES COURT OF APPEALS
FOR THE SEVENTH CIRCUIT
CHICAGO, ILLINOIS 60604

January 26, 1970

Before

Hon. ROGER J. KILEY, Circuit Judge
Hon. THOMAS E. FAIRCHILD, Circuit Judge
Hon. WALTER J. CUMMINGS, Circuit Judge

Nos. 17569, 17570

SCOTT PAPER COMPANY, *Plaintiff-Appellant* and *Cross-Appellee*,

v.

FORT HOWARD PAPER COMPANY, *Defendant-Appellee* and *Cross-Appellant*.

Motion To Strike Reply Brief and To Dismiss Cross-Appeal.

ORDER

Scott moves for an order designed to prevent further dissemination and use by Fort Howard of certain letters formerly contained in Envelope 666AA and associated with the record herein, and made known to counsel for Fort Howard as a result of an inadvertent error by the clerk of the district court.

In 1962 Fort Howard sought production under Rule 34 F.R.C.P. of documents including "Any preliminary search report or patentability report made by anyone on behalf of the plaintiff, relating to the subject matter of the patent involved in this action." Scott objected, claiming attorney-client privilege. Chief Judge Tehan ordered Scott to

submit the documents to the court *in camera* so that a ruling could be made. The letters now in question were delivered to the court in a sealed envelope, marked so as to indicate such purpose of submission.

Chief Judge Tehan denied discovery for want of good cause shown and because he found the letters not relevant. The issue of privilege was not reached. The letters remained in an envelope in the safe of the clerk of the district court.

Later these appeals were taken by each party, and the parties stipulated that certain items, including the envelope and letters in question need not be transmitted to the court of appeals, subject to order by this court or request by one of the parties.

By inadvertence the clerk of the district court did transmit the envelope and its contents along with other portions of the record. Although this was one of four items referred to in the index as having been impounded by order of the court, the clerk of this court did not become aware of such indication and released the entire record to one of counsel for Fort Howard in return for his receipt. This provided such counsel with an opportunity to examine the letters involved in this motion. Mr. McAndrews has filed an affidavit asserting that the envelope was not sealed and that he scanned and read the letters before noticing the label on the envelope indicating that they had been submitted for *in camera* inspection.

Fort Howard appears to have designated these documents for printing as part of the appendix and to have quoted from them in its reply brief. Scott asks an order striking the brief, requiring that all copies be destroyed, striking the designation for printing, ordering the letters returned to the district court along with all copies thereof and excerpts therefrom, and dismissing Fort Howard's cross-appeal.

Fort Howard appears to argue (1) that the events related have divested the letters of any restriction of secrecy and that they are a portion of the public record, (2) that the district court's ruling that the letters are irrelevant is error, and (3) that the documents are evidence of fraud on the patent office and the court and therefore Scott is not entitled to protection of confidentiality. Its own summary is: "The toothpaste was already out of the tube when the record was sent up to this court."

The fact that the contents of the letters became known as a result of inadvertent failure to comply with the order of the district court is fully supported by the affidavits offered by Scott and in no way controverted by Fort Howard. It seems clear that an order should be entered returning the documents to their former status as nearly as practicable. Fort Howard may have some right to urge on these appeals that denial of discovery was erroneous, and, except that they may not use the contents of the letters in so arguing, their right, if any, to do so should not be impaired.

Accordingly,

It Is Ordered that (1) the reply brief of Fort Howard Paper Company in Appeal No. 17570 is stricken from the file of this court and the clerk shall destroy the same; (2) Fort Howard's designation of the letters previously contained in Envelope 666AA for printing is stricken and deemed of no effect; (3) Fort Howard Paper Company and its agents and counsel shall destroy all copies of said reply brief forthwith; they shall cause the return to the clerk of this court of said letters and Envelope, and shall also deliver to him all copies thereof and excerpts therefrom in their possession or control; said counsel shall certify compliance with this order to said clerk within 10 days; (4) the clerk of this court shall seal the letters within said envelope and retain it subject to further order of this court; (5) Scott's motion for dismissal of Fort Howard's appeal is denied.